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From:

Steve Demczak

To:

Angela Nance; Vicky Miller

Date: Subject: 4/6/2009 2:20 PM

Attachments:

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Outgoing

C/007/0039



Department of **Natural Resources**

MICHAEL R. STYLER Executive Director

Divis	sio	n of	Ī
Oil, Gas	&	Mi	ning

JOHN R. BAZA

Permitee: CANYON FUEL COMPANY LLC Operator: CANYON FUEL COMPANY LLC

Representatives Present During the Inspection Company Vicky S. Miller Environmental Specialist

OGM Steve Demczak Environmental Scientist III

Site: DUGOUT CANYON MINE

Address: PO BOX 1029, WELLINGTON UT 84542

County: CARBON

JON M. HUNTSMAN, JR. Governor GARY R. HERBERT Lieutenant Governor

Permit Type: PERMANENT COAL PROGRAM

Permit Status: ACTIVE

Inspection Report

Permit Number:	C0070039
Inspection Type:	PARTIAL
Inspection Date:	Tuesday, March 17, 2009
Start Date/Time:	3/17/2009 10:00:00 AM
End Date/Time:	3/17/2009 4:00:00 PM
Last Inspection:	Tuesday, February 24, 2009

Inspector: Steve Demczak, Environmental Scientist III

Weather: Sunny, Little Snow, 50's InspectionID Report Number: 1948

> Accepted by: jhelfric 3/24/2009

Current Acreages	Mineral Ownership	Types of Operations		
9,751.00 Total Permitted	☑ Federal	✓ Underground		
101.10 Total Disturbed	✓ State	Surface		
Phase I	☐ County	☐ Loadout		
Phase II	☑ Fee	☐ Processing		
Phase III	☐ Other	Reprocessing		

Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

There are no pending compliance actions for the Dugout Canyon Mine permit area. The Permittee is current relative to the required electronic quarterly water monitoring submittals for 2008.

Inspector's Signature:

Date Wednesday, March 18, 2009

Inspector ID Number: 39

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801 telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • www.ogm.utah.gov

Inspection Continuation Sheet

Permit Number: C0070039 Inspection Type: PARTIAL

Inspection Date: Tuesday, March 17, 2009

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REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS

- Substantiate the elements on this inspection by checking the appropriate performance standard.
 a. For COMPLETE inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check Not Applicable.
 b. For PARTIAL inspections check only the elements evaluated.
 Document any noncompliance situation by reference the NOV issued at the appropriate performance standard listed below.
 Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
 Provide a brief status report for all pending enforcement actions, permit conditions, Divison Orders, and amendments.

		Evaluated	Not Applicable	Comment	Enforcemen
1.	Permits, Change, Transfer, Renewal, Sale				
2.	Signs and Markers	Ø		✓	
3.	Topsoil				
4.a	Hydrologic Balance: Diversions	Y		V	
4.b	Hydrologic Balance: Sediment Ponds and Impoundments	V		✓	
4.c	Hydrologic Balance: Other Sediment Control Measures				
4.d	Hydrologic Balance: Water Monitoring	V		V	
4.e	Hydrologic Balance: Effluent Limitations	V		₹.	
5.	Explosives				
6.	Disposal of Excess Spoil, Fills, Benches				
7.	Coal Mine Waste, Refuse Piles, Impoundments				
8.	Noncoal Waste	V		✓	
9.	Protection of Fish, Wildlife and Related Environmental Issues				
10.	Slides and Other Damage	V		✓	
11.	Contemporaneous Reclamation				
12.	Backfilling And Grading				
13.	Revegetation				
14.	Subsidence Control				
15.	Cessation of Operations				
16.a	Roads: Construction, Maintenance, Surfacing				
16.L	Roads: Drainage Controls	V		✓	· 🔲
17.	Other Transportation Facilities				
18.	Support Facilities, Utility Installations				
19.	AVS Check				
20.	Air Quality Permit				
21.	Bonding and Insurance				
22.	Other				

Permit Number: C0070039 Inspection Type: PARTIAL

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Inspection Continuation Sheet

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2. Signs and Markers

Identification sighs at Pace Canyon was inspected. It complies with the R645 Coal Rules.

4.a Hydrologic Balance: Diversions

Several of the diversions were inspected and recently cleaned out. There are others in shady areas still frozen and will need to be cleaned out in the near future.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

Sediment pond at the mine site was inspected with no hazardous conditions noticed during the inspection. This pond did contain water but was not discharging during the inspection.

4.d Hydrologic Balance: Water Monitoring

The fourth quarter water monitoring was submitted to the Divisions.

4.e Hydrologic Balance: Effluent Limitations

The mine was not discharging water out of Pace Canyon portals during the inspection.

8. Noncoal Waste

The mine site was clear of non-coal waste material.

10. Slides and Other Damage

No slides or other damages were noticed during the inspection.

16.b Roads: Drainage Controls

Ditches at the sub-station had run off and were functioning as designed.